

WISCONSIN HEALTH INSURANCE RISK SHARING PLAN (HIRSP) APPLICATION FOR REDUCED PREMIUM, DEDUCTIBLE, AND DRUG COINSURANCE

READ THE FOLLOWING BEFORE COMPLETING THIS FORM

Complete this form only if your annual household income is less than \$25,000.

The Wisconsin Health Insurance Risk Sharing Plan (HIRSP) offers a program for reductions in premium, deductible, and drug coinsurance out-of-pocket maximum for policyholders in Plan 1, Option A and Plan 2. **Reductions are not available for policyholders in Plan 1, Option B (\$2,500 deductible).** To apply for these reductions or to continue to receive them, HIRSP must have information about your 2003 household income from one of the following:

- If you did not file for the Wisconsin Homestead Credit and did not complete a Schedule H for 2003, please complete pages 1-2 of the HIRSP Application for Reduced Premium, Deductible, and Drug Coinsurance. HIRSP uses this information solely to determine your eligibility for reductions of premium, medical deductible, and drug coinsurance out-of-pocket maximum.
- If you filed for the Wisconsin Homestead Credit and completed a Schedule H for 2003, you do not need to fill out this application. Please attach a copy of your completed Schedule H to this application.

Providing your Social Security number is optional. Your number will only be used for administration of the HIRSP program under the authority of Chapter 149, Wisconsin Statutes. If you do not submit your number, an alternate identification number will be created for you and your application will still be processed, but supplying the Social Security number will expedite the application process.

Refer to the detailed instructions on pages 3-5 to complete this application. Contact HIRSP Customer Service at 1-800-828-4777 or 1-608-221-4551 if you have questions about the instructions for completion of this form; however, HIRSP cannot advise policyholders about questions related to tax law.

POLICYHOLDER / APPLICANT INFORMATION

Fill in the following information for HIRSP to consider your application for a reduction in premium, deductible, and drug coinsurance out-of-pocket maximum. Your HIRSP identification number, if known, is required for HIRSP to process your application.

Last Name		First	Middle	Telephone Number ()	
Street Address		City		State	ZIP Code
Date of Birth		Identification Number (Required for processing)		Social Security Number (Optional)	

1. Are you married? ☐ YES ☐ NO If you answered "YES," you and your spouse are considered a household if you live together. Refer to the application instructions for a definition of "household."
2. Are you under age 18? ☐ YES ☐ NO If you answered "YES," this application is to be completed based on your parents' or legal guardians' income.

HOUSEHOLD INCOME

Include all 2003 income as listed below. If married, include the incomes of both spouses.

3. Wisconsin income from your 2003 Wisconsin income tax return. 3.00
4. If you or you and your spouse **are not filing** a 2003 Wisconsin income tax return, fill in **taxable** income on lines 4a and 4b.
- a. Wages00 + Interest00 + Dividends00 = 4a.00
- b. Other taxable income. Attach a schedule. 4b.00
5. Nontaxable household income. Do not include amounts filled in on line 3 or 4.
- a. Unemployment compensation. 5a.00
- b. Social Security, federal and state SSI (Supplemental Security Income), SSI-E (Exceptional Needs Payments), SSD (Social Security Disability), and Caretaker Supplement Payments. Include Medicare premium deductions. 5b.00
- c. Railroad Retirement benefits. Include Medicare premium deductions. 5c.00
- d. Pensions and annuities, including IRA, Keogh, SEP, and SIMPLE distributions. 5d.00
- e. Contributions to deferred compensation plans. 5e.00
- f. Contributions to IRA, Keogh, SEP and SIMPLE plans. 5f.00
- g. Interest on United States securities (e.g., U.S. Savings Bonds) and state and municipal bonds. 5g.00
- h. Scholarships, fellowships, grants, and military compensation or cash benefits. 5h.00
- i. Child support, maintenance payments, and other support money (court ordered). 5i.00
- j. Wisconsin Works (W-2) payments, county relief, kinship care, and other cash public assistance. 5j.00
- k. Workers' compensation, income continuation, and loss of time insurance (e.g., sick pay). 5k.00
- l. Gain from sale of home excluded under Section 121. 5l.00
- m. Other capital gains not taxable. 5m.00
- n. Net operating loss carryforward and capital loss carryforward. 5n.00
- o. Income of nonresident spouse or part-year resident spouse; nontaxable income from sources outside Wisconsin; resident manager's rent reduction; clergy housing allowance; and nontaxable Native American income. 5o.00
- p. Partners', LLC members', and S corporation shareholders' distributive share of depreciation, Section 179 expense, depletion, amortization, and intangible drilling costs. If none was claimed, write "None." 5p.00
- q. Car or truck depreciation (standard mileage rate). 5q.00
- r. Other depreciation, Section 179 expense, depletion, amortization, and intangible drilling costs. 5r.00
6. a. Subtotal. Add lines 3 through 5r. 6a.00
- b. Number of qualifying dependents. **Note:** Do not count yourself or your spouse. x \$250 = 6b.00
- c. Household income. Subtract line 6b from line 6a (if **\$25,000** or more, you do not qualify for a reduction in premium, deductible, or drug coinsurance out-of-pocket maximum; if **\$20,000** or more, you do not qualify for a reduction in deductible or drug coinsurance out-of-pocket maximum). 6c.00

SIGNATURE

I certify that the foregoing answers are true and accurate to the best of my knowledge and belief. I understand I may be responsible for any owed premiums if I obtain reductions as a result of supplying inaccurate or fraudulent information.

SIGNATURE — Policyholder / Applicant

Date Signed

SIGNATURE — Parent or Legal Guardian if
Policyholder / Applicant is under age 18 or legally
incompetent

Note: The Department of Health and Family Services reviews tax returns to verify information submitted on this annual Application for Reduced Premium, Deductible, and Drug Coinsurance.

REMINDER

Total household income (Question 6c on page 2), signature, and date must be completed for this form to be valid.

Return completed form and necessary supporting information to: HIRSP; 6406 Bridge Rd Ste 18; Madison, WI 53784-0018.

For policyholders who are reapplying for annual reductions — This application must be postmarked by May 1, 2004, to receive a reduced:

- Premium, effective July 1, 2004.
- Deductible and drug coinsurance out-of-pocket maximum, effective January 1, 2005.

INSTRUCTIONS FOR COMPLETION OF APPLICATION FOR REDUCED PREMIUM, DEDUCTIBLE, AND DRUG COINSURANCE

DEFINITIONS

Household. A household is an applicant and the applicant's spouse living in the applicant's homestead. If you are single, you are a household, whether you live alone or with others. If you are married, you and your spouse are a household if you live together. If you are married but you and your spouse maintained separate homes on December 31, 2003, you are each considered a separate household.

Household Income. Household income is all your income reportable for Wisconsin income tax purposes and all the items identified on lines 5a through 5r on page 2 of this application, less a deduction of \$250 for each dependent who occupied your homestead for more than six months during 2003.

If you were married and lived with your spouse during all of 2003, you must combine both incomes to determine household income. If during 2003, you were separated from your spouse for all of or part of the year (including one spouse living in a nursing home), you became married or divorced, or your spouse died, compute household income as follows:

- a. For the time you were married and living with your spouse in 2003, include all of the income of both you and your spouse.
- b. For the time you were married but living apart in 2003, compute household income under Wisconsin's marital property law. Under marital property law, you must report all of your own **nonmarital** property income and none of your spouse's **nonmarital** property income. The amount of **marital** property income you must report depends on whether you or your spouse notified each other of the amount and nature (type) of marital property income each of you generated during that time, as follows:
 1. If you did not notify your spouse, report all of your own marital property income. If you did notify your spouse, report one-half of your own marital property income.
 2. If your spouse did not notify you, report none of your spouse's marital property income. If your spouse did notify you, report one-half of your spouse's marital property income.

Exceptions: The marital property law does not apply during any time your spouse was not domiciled in (was not a resident of) Wisconsin. A marital property agreement or unilateral statement has no effect in computing your household income.

If your spouse was in a nursing home and you received a "community spouse income allowance" under the Spousal Impoverishment Program, that income is not includable in your household income.

GENERAL

New: Page 2 of your application has preprinted zeros in the "cents" area of the entry lines. Amounts filled in on those lines should be rounded to the nearest dollar.

POLICYHOLDER/APPLICANT INFORMATION

Fill in the information requested on these lines. Failure to answer these questions may delay your reduced premium, deductible, and drug coinsurance.

Fill in your full name, telephone number, address, date of birth, HIRSP identification number, if known, and Social Security number in the spaces indicated. Providing your Social Security number is optional. Your number will only be used for administration of the HIRSP program under the authority of Chapter 149, Wisconsin Statutes. If you do not submit your number, an alternate identification number will be created for you and your application will still be processed, but supplying the Social Security number will expedite the application process.

LINE 1 — Marital Status

Check the appropriate box indicating whether the applicant is married.

LINE 2 — Age

Check the appropriate box indicating if the applicant was under age 18 in 2003.

HOUSEHOLD INCOME**LINES 3 through 5 — Household Income**

These instructions apply if during all of 2003 you were single, or married and living with your spouse. If during 2003 you were separated, you became married or divorced, or your spouse died, refer to the "Household Income" entry under "Definitions."

LINE 3 — Income — From Tax Return

Fill in line 3 **only** if you or you and your spouse are filing or have already filed a 2003 Wisconsin income tax return. If you were married and lived with your spouse all year but file separate Wisconsin income tax returns, fill in the income from both of your tax returns.

If you fill in line 3, do **not** fill in line 4a or 4b.

LINES 4a and 4b — Taxable Income — No Tax Return

Fill in lines 4a and 4b **only** if you or you and your spouse are not filing a 2003 Wisconsin income tax return. If you were married and lived with your spouse all year, fill in all the income of both spouses.

If you fill in lines 4a and 4b, do **not** fill in line 3.

4a. Fill in the amount of wages, interest (including funeral trust interest), and dividends that are taxable to Wisconsin in the spaces provided, and fill in the total of these amounts on line 4a.

4b. Fill in all other items of taxable income on line 4b, such as: taxable unemployment compensation; pensions and annuities; Individual Retirement Account (IRA), Keogh, Simplified Employee Pension (SEP), Savings Incentive Match Plan for Employees (SIMPLE), and deferred compensation distributions; capital gains; alimony; and business, rent, farm, partnership, and S corporation income. If you fill in an amount on line 4b, attach a schedule explaining the sources of income and the amounts from each source.

LINE 5 — Nontaxable Household Income

Fill in all nontaxable household income received in 2003 from any of the sources indicated. If you are married, combine the incomes of both spouses and fill in the totals for each category. Do not include amounts already included on line 3, 4a, or 4b.

5a. Unemployment compensation. Fill in the total amount of unemployment compensation received in 2003 that was not already included on line 3 or 4b. Both taxable and nontaxable unemployment compensation must be included in household income.

5b. Social Security, SSI, SSD, SSI-E and Caretaker Supplement. Fill in the total amount of Social Security benefits received in 2003. Include amounts deducted for Medicare premiums (\$59 per person per month, or \$704 for the entire year), and any Social Security death benefit (\$255) received. Also fill in federal and state "SSI" (Supplemental Security Income) payments, "SSI-E" (Supplemental Security Income-Exceptional Needs Payments), "SSD" (Social Security Disability), and "Caretaker Supplement" payments.

Do **not** include Social Security or SSI payments paid directly to your children or Title XX benefits (payments for services).

5c. Railroad Retirement. Fill in the total amount of Railroad Retirement benefits received in 2003. Include amounts

deducted for Medicare premiums (\$59 per person per month, or \$704 for the entire year).

5d. Pensions and annuities, including IRA, Keogh, SEP, and SIMPLE distributions. Fill in the **gross** amount of **all** pensions and annuities received in 2003 and not included elsewhere. Include veterans' pensions, disability payments, any amounts you contributed to a pension fund, and nontaxable IRA, Keogh, SEP, and SIMPLE distributions. Both taxable and nontaxable amounts must be included in household income.

Exceptions: Do not include rollovers (amounts transferred from one plan to another), or tax-free Section 1035 insurance contract exchanges. If all or a part of a pension or annuity distribution in 2003 includes a rollover amount or a tax-free exchange, write "Rollover" or "Tax-Free Exchange" near line 5d, and attach a copy of federal Form 1099-R.

5e. Contributions to deferred compensation plans. Fill in contributions to deferred compensation plans that were excluded from income on the income tax return (do not include nondeductible contributions). Excluded deferred compensation is generally reported in box 12 of the wage and tax statement, Form W-2, preceded by the prefix D, E, F, G, H, or S.

5f. Contributions to IRA, Keogh, SEP, and SIMPLE plans. Fill in contributions to these plans that were deducted from income on the income tax return (do not include rollover contributions or nondeductible contributions). IRA deductions are reported on line 24 of federal Form 1040, or on line 17 of Form 1040A. Keogh, SEP, and SIMPLE deductions are reported on line 30 of Form 1040.

5g. Interest on United States securities and state and municipal bonds. Fill in any nontaxable interest received on securities of the federal government or its instrumentalities, such as U.S. Savings Bonds or Treasury Notes, and on nontaxable state and municipal bonds, such as Higher Education Bonds.

5h. Scholarships, fellowships, grants, and military compensation. Fill in the total amount received in 2003 for **nontaxable** scholarship and fellowship income (for example, books or tuition), educational grants, or military benefits (for example: basic quarters and subsistence allowances; Veterans Educational Assistance Program [VEAP] payments; or G.I. Bill benefits). Do not include student loans or amounts included elsewhere.

Note: If scholarship or fellowship income is included on line 3 of this application, and any portion of that income was included on your 2002 homestead credit claim, you may subtract the amount included in 2002 household income. Fill in the amount as a negative number on line 5h, and reduce your 2003 household income by this amount.

5i. Child support, maintenance payments, and other support. Fill in the total amount of any court-ordered support payments received in 2003, including child support and family maintenance, but not foster care, voluntary support, or amounts included elsewhere.

5j. Wisconsin Works (W-2), county relief, kinship care, and other cash public assistance. Fill in the total amount of any Wisconsin Works (W-2), county relief, kinship care, and other cash public assistance payments (such as adoption assistance) received in 2003. Do not include the following: a

prior year's homestead credit; nontaxable foster care; gifts; food stamps; nontaxable Community Options Program (COP) payments; or fuel or energy assistance paid to a fuel supplier or utility, or provided under the federal Low-Income Home Energy Assistance Act.

5k. Workers' compensation, income continuation, and loss of time insurance (e.g., sick pay). Fill in the total amount received in 2003 from these sources. Nontaxable sick pay is generally reported in box 12 of the wage and tax statement, Form W-2, preceded by the prefix J.

5l. Gain from sale of home. Fill in the gain from the sale or exchange of a principal residence excluded from taxable income under Section 121 of the Internal Revenue Code. Attach a schedule showing the computation of the gain (selling price minus adjusted basis minus expense of sale).

5m. Other capital gains not taxable. Include the 60% capital gain exclusion on assets held more than one year, plus any other nontaxable capital gains that are not reported elsewhere.

5n. Net operating loss carryforward and capital loss carryforward. Fill in any net operating loss carryforward or capital loss carryforward (one incurred in a prior year and not used in that year to offset taxable income) deducted in computing 2003 Wisconsin taxable income.

5o. Income of nonresident spouse or part-year resident spouse and nontaxable income from sources outside Wisconsin. Fill in the income of your nonresident or part-year resident spouse for the time you resided in the same homestead. Also, fill in the income received from sources outside Wisconsin that was excluded from Wisconsin taxable income.

Resident manager's rent reduction, clergy housing allowance, and nontaxable Native American income. Fill in the amount that a resident manager's rent is reduced in return for services, the nontaxable housing allowance provided to a member of the clergy, and nontaxable income of a Native American.

5p. Partners, LLC members, and S corporation shareholders. Fill in the distributive share of partnership, limited liability company (LLC), and tax-option (S) corporation depreciation, Section 179 expense, depletion, amortization, and intangible drilling costs.

Note: If the partnership, LLC, or S corporation did not claim any of these expenses, write "None." To determine this, you may have to contact the partnership, LLC, or S corporation.

5q. Car or truck depreciation (standard mileage rate). If car or truck expenses were claimed using the standard mileage rate of 36 cents per mile on a business, rent, or farm schedule, 16 cents per mile is considered depreciation. Multiply the number of miles claimed by 16 cents, and include that number on line 5q.

Exception: The 16-cent-per-mile income adjustment is not required for miles claimed after the adjusted basis of your car or truck reaches zero. If this applies to you, attach a note explaining the situation.

5r. Other depreciation, Section 179 expense, depletion, amortization, and intangible drilling costs. Fill in any depreciation, Section 179 expense, depletion, amortization, and intangible drilling costs claimed in computing Wisconsin taxable income, except amounts already filled in on line 5p or 5q.

Note: If car or truck expenses were claimed on federal Schedule C, C-EZ, E, or F using the actual expense method, depreciation would be claimed on the depreciation line and would be included on line 5r.

Repaid amounts. Nontaxable income that was included in household income in a prior year and was required to be repaid in 2003 may be subtracted from household income on your 2003 application. Subtract the amount repaid on the income line of this application to which the repayment relates (fill in the amount as a negative number). Attach an explanation indicating the amount of the repayment and the year it was included on a homestead credit claim.

LINES 6a through 6c — Total Household Income

6a. Fill in the total of lines 3 through 5r.

6b. You may claim a "dependent deduction" by filling in the number of "qualifying dependents" and multiplying that number by \$250.

A qualifying dependent is a person who: a) is or may be claimed as a dependent on your **federal** income tax return; and b) occupied your (the applicant's) homestead for more than six months during 2003. A dependent is considered to have occupied your homestead during temporary absences for reasons such as school, illness, or vacations.

The six months' occupancy requirement is considered to have been met if: a) the dependent was born or died during 2003 and occupied your homestead during the entire time he or she lived in 2003; or b) during 2003 the dependent was adopted by you, was placed with you for adoption, or became your stepchild, and he or she occupied your homestead from that date to the end of 2003.

Caution: The term "dependent" does **not** include you or your spouse. Do not include yourself or your spouse in the number you fill in on line 6b.

6c. Subtract the amount on line 6b from the amount of line 6a, and fill in the total on line 6c. This is your total household income.

NOTE

If you have very little or no household income to report on this application, attach a note explaining how you paid your rent or property taxes. If you received loans (including student loans) or gifts, indicate the approximate amount received, but do not include these in household income.

If you or your spouse are age 65 or over and received no Social Security, SSI, or Railroad Retirement benefits in 2003, attach a note stating that you did not receive any income from any of these sources.